

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 PM-04 ERDA-07 ACDA-10 CIAE-00
INR-07 IO-13 L-03 NSAE-00 NSC-05 EB-08 NRC-07
OES-06 FEAE-00 DODE-00 EA-09 OMB-01 TRSE-00 /093 W
-----232005Z 061260 /43
R 231943Z MAR 77
FM USMISSION OECD PARIS
TO SECSTATE WASH DC 5823

UNCLAS SECTION 01 OF 02 OECD PARIS 08617

PASS: STATE FOR NOSENZO, ERDA FOR SIEVERING

E.O. 11652: N/A
TAGS: TECH, OECD
SUBJECT: INTERNATIONAL RADIOACTIVE WASTE CONDITIONING
PROGRAM AT THE EUROCHEMIC COMPANY

1. MISSION HAS RECEIVED A REVISED DRAFT OF THE
AGREEMENT ON THE INTERNATIONAL RESEARCH AND DEVELOPMENT
PROGRAM ON THE CONDITIONING OF HIGH-LEVEL RADIOACTIVE
WASTE AT THE EUROCHEMIC COMPANY, FROM THE NEA DIRECTOR
GENERAL, DATED MARCH 17, 1977. COPIES HAVE BEEN
AIR POUCHED TO ERDA (SIEVERING) AND STATE (NOSENZO).
2. REVISED DRAFT CONTAINS SEVERAL SIGNIFICANT CHANGES
IN ESTIMATED LEVEL OF EXPENDITURES COMPARED TO MAY 13,
1976 VERSION WHICH ARE NOT FULLY EXPLAINED. MISSION
CLARIFICATION IS PROVIDED BELOW.

3. AS WITH THE PREVIOUS PROPOSAL WE ARE BEING ASKED
TO MAKE A TWO PART CONTRIBUTION:

A) THE FIRST IS AN ENTRANCE FEE, WHICH IS BEING ASKED
ONLY OF PARTIES WHO ARE NOT EUROCHEMIC SHAREHOLDERS
(JAPAN AND U.S.). THIS FEE TAKES INTO ACCOUNT SUP-
PORTING FACILITIES AND SERVICES OF THE EUROCHEMIC
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COMPANY WHICH WILL BE MADE AVAILABLE TO THE INTER-
NATIONAL PROGRAM. IT WILL NOT BE WAIVED, AS IN THE
INITIAL PROPOSAL, SINCE WE NO LONGER ARE PROVIDING A
CONTRIBUTION IN KIND IN THE FORM OF TECHNICAL
ASSISTANCE TO THE SOLIDIFICATION FACILITY. THE FEE
WHICH IS TO BE PAID IN FIVE EQUAL YEARLY INSTALLMENTS,
HAS INCREASED 33 PERCENT, FROM ONE MILLION DOLLARS TO

ONE AND ONE-THIRD MILLION, DUE IN PART TO ESCALATION, THE CURRENCY EXCHANGE RATE USED AND THE GREATER COST OF THE LOTES COMPARED TO THE FLUIDIZED BED FACILITY. HOWEVER, MISSION NOTES THAT THE FORMULA ADOPTED FOR THE CALCULATION IS COMPLETELY ARBITRARY (LOTES COSTS DIVIDED BY FOUR) AND WE HAVE BEEN INFORMED BY THE NEA SECRETARIAT THAT IT WAS CHOSEN PRIMARILY TO KEEP THE REVISED FIGURES CLOSE TO THE ORIGINAL.

B) THE SECOND IS A CONTRIBUTION BASED UPON A SCALE OF GROSS NATIONAL PRODUCT, WHICH IS CONSIDERED AS A SHARE OF THE DIRECT OPERATING AND INVESTMENT COSTS OF THE INTERNATIONAL PROGRAM. THE EXPECTED COSTS OF THE SEVEN YEAR PROGRAM HAVE INCREASED 20 PERCENT TO A TOTAL OF ABOUT 13 MILLION DOLLARS BASED UPON PRICE AND SALARY ESCALATION SINCE THE ORIGINAL ESTIMATE. IT HAD BEEN EXPECTED THAT OUR SHARE OF THESE COSTS WOULD BE ABOUT 3 MILLION DOLLARS BASED UPON AN ANTICIPATED CONTRIBUTION OF 3 MILLION DOLLARS FROM THE EC. HOWEVER, THE EXACT AMOUNT OF THE EC CONTRIBUTION IS NOW IN DOUBT AND IT IS FOR THIS REASON THAT THE

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CURRENT PROPOSAL DOES NOT SPECIFY INDIVIDUAL FIXED COMMITMENTS. EC FUNDS WERE EXPECTED TO BE ALLOCATED FROM THE COMMISSION'S 5-YEAR R&D BUDGET (1975-1979) WHICH AUTHORIZES EXPENDITURES ON A COST SHARING BASIS TO A MAXIMUM OF 50 PERCENT. HOWEVER, IF THE PROPOSED

INTERNATIONAL PROGRAM BEGINS ON JULY 1, 1977, AS CURRENTLY CALLED FOR, ACTUAL EXPENDITURES ARE ESTIMATED AS AMOUNTING TO ONLY ABOUT 5 MILLION DOLLARS THROUGH DECEMBER 31, 1979. THUS THE EC CONTRIBUTION MAY BE LIMITED TO 2.5 MILLION DOLLARS. DISCUSSIONS ARE UNDERWAY TO ASCERTAIN WHETHER THE EC CAN FORMALLY COMMIT ITSELF TO AN ADDITIONAL AMOUNT BEYOND 1980. A REVISION TO THE PRESENT PROPOSAL IS EXPECTED TO BE RELEASED BY NEA IN SEVERAL WEEKS.

3. MISSION ALSO NOTES THAT IN THE FINAL PARAGRAPH OF THE TRANSMITTAL LETTER ACCOMPANYING THE REVISED DRAFT (ALSO POUCHED TO STATE AND ERDA), COUNTRIES ARE ASKED TO CONFIRM THEIR INTENTION TO PARTICIPATE IN THE INTERNATIONAL R&D PROGRAM. IN THIS REGARD, NEA CONSIDERS THE RECENT LETTER FROM ERDA ACTING ADMINISTRATOR FRI TO SCHMIDT-KUESTER AS AN EXPRESSION OF U.S. INTEREST AND DOES NOT EXPECT FURTHER NOTIFI-
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CATION IN SO FAR AS THE VIEWS EXPRESSED IN THIS LETTER HAVE NOT CHANGED.

4. ON A SEPARATE BUT RELATED ISSUE, NEA DEPUTY DIRECTOR PIERRE STROHL, WHO IS ALSO SECRETARY TO THE EUROCHEMIC BOARD, IN A MARCH 21 TELECON TO MISSION SCIENCE OFFICE, EXPRESSED EUROCHEMIC'S INTEREST IN RECRUITING A U.S. PROJECT ENGINEER FOR WORK ON THE INTERNATIONAL PROGRAM. SALARY AND EXPENSES WOULD BE PAID BY EUROCHEMIC FROM THE BUDGET OF THE INTERNATIONAL PROJECT. IT WOULD BE DESIRABLE IF THIS MAN COULD BE ON SITE AS SOON AS THE PROGRAM BEGINS. STROHL DESIRES U.S. REACTION TO THIS INFORMAL PROPOSAL.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Concepts: AGREEMENT DRAFT, RESEARCH, AMENDMENTS, RADIOACTIVE WASTES DISPOSAL, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Sent Date: 23-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977OECDP08617
Document Source: CORE
Document Unique ID: 00
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Executive Order: N/A
Errors: N/A
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Litigation History:
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Review Action: RELEASED, APPROVED
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Review Date: 27-Sep-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
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Secure: OPEN
Status: NATIVE
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TAGS: TECH, US, OECD, EUROCHEMIC CO
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